

<p style="text-align: center;"><b>TOWN OF SOUTH BETHANY</b>  <b>TOWN COUNCIL WORKSHOP MINUTES</b>  <b>SEPTEMBER 23, 2021</b>  <b>3:00 P.M.</b></p>
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**Call Meeting to Order**

Mayor Saxton called the September 23, 2021, Town Council Budget Workshop to order at 3:00 p.m.

**Announcement of Attendance and Absences**

In attendance were Mayor Saxton, Councilmembers Derek Abbott, Randy Bartholomew, Sue Callaway, Edie Dondero, Dick Oliver, and Tim Shaw; Manager Maureen Hartman, Finance Director Renee McDorman and Administrative Specialist, Janet Powell. Public attendance: Ashley Stern and Alicia Revel from PKS & Company. Virtual attendance: 1

**Public Comment**

No public comment.

**Presentation and possible action to accept the FY 2021 Audit, presented by Ashley Stern, CPA, MBA, CGFM, Partner**

Councilman Bartholomew introduced Ashley Stern from PKS & Company, who presented a summary of the FY 2021 audit financial statements. Ms. Stern concluded the Town was given the "highest level of opinion", a highest level a CPA can award, and did not identify any material weaknesses in internal control and did not identify any instances of noncompliance. She noted an increase over \$800,000 in the Town's current assets (cash and investments) with an overall net increase over \$1.3 million in total, showing an increase in taxes and assessments (real estate transfer tax), and licensing and permits (home construction). A decrease in expenses from \$2.5 million to \$2.1 million resulted in the timing of projects, such as paving or canal projects that will occur in FY2022. Ms. Stern presented a graph showing 14% expense for lifeguards, 22% expense for public works, 32% in general government (administration) and 32% in public safety (police). Ms. Stern noted the percentages compare across the board to other municipalities of South Bethany's size. The GFOA recommends that a Town's general fund has no less than two months of operating expenditures in the unassigned (unrestricted) fund balance, which the Town has 4 months of unrestricted general funds in case of a catastrophe such as storms and flooding, where monies will keep the Town afloat until Federal monies are distributed. Ms. Stern concluded with a management letter with four recommendations; 1) all bank reconciliations to be completed in the accounting software 2) utilize additional training from the accounting software, 3) strengthen the cash disbursements controls and 4) review and annualize an investment policy statement annually. Councilman Bartholomew stated the four recommendations are being implemented; all bank reconciliations are now completed in the accounting software, Finance Director McDorman has signed up for various training classes, an additional step is included in the distribution of the cash disbursements, and the Budget & Finance committee has reviewed the investment policy statement and a revised policy will be submitted to Council in the near future. Councilman Bartholomew, Mayor Saxton, and the Council thanked the Budget & Finance committee and Finance Director McDorman for a job well done. Councilman Bartholomew moved that the Town Council approve the financial statements and auditors' communications for the year ended April 30, 2021, presented by the audit firm PKS and Company; seconded by Councilman Oliver. Motion carried 7-0.

**Discussion of remote participation at Town Council and Committee meetings**

Mayor Saxton opened the discussion of remote participation and guidelines at the Town Council and Committee meetings. Councilman Abbott suggested Council meet in person and consider meeting after business hours to accommodate and increase public attendance. Councilman Shaw

and Councilman Oliver both commented that in previous years the Council had after business hour meetings on Friday evening, and it did not increase the attendance. Councilwoman Dondero felt that Committee meetings held during the day are a hinderance for property owners to attend or join a committee. She suggested Council consider Committees that do not require a town presence have flexible evening hours. Councilwoman Callaway stated all these comments have been previously discussed over the years, and the morning meetings have had more public attendance than the evening meetings; and evening meetings create logistics such as security for the Town Hall building and the need of a host or employee working evenings to operate the technology. She also stated video remote access is more engaging than phone access. Councilman Bartholomew agreed with Councilman Callaway. Councilmembers unanimously agreed that the remote participation technical support needs to be upgraded in town hall. Mayor Saxton stated the Council meetings will remain in person, along with remote accessibility and had no objection to committee level having flexibility with evening hours, but Council should consider investing in the upgrade of technology prior to making any changes. Mayor Saxton asked Town Manager Hartman to research various platforms of remote technology. Town Manager Hartman responded that she is attending a FOIA class regarding remote participation on September 24<sup>th</sup>, and the audio company that placed the audio in the room will be returning this week.

#### **Discussion on Anchor 2016 proposal and path forward on obtaining bids for a Stormwater Resiliency Plan**

Mayor Saxton asked Council to review the Anchor QEA 2016 proposal and Town Manager Hartman will submit the Anchor QEA 2016 report to Council. She will contact Anchor QEA and request an updated 2021 stormwater proposal to present at the October 8, 2021 Town Council meeting.

#### **Adjournment**

Motion by Councilman Oliver, seconded by Councilman Shaw, to adjourn the September 23, 2021, Town Council Workshop at 4:07 p.m. Motion carried 7-0.